

5/027/026



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT  
FILLMORE FIELD OFFICE

35 East 500 North  
Fillmore, Utah 84631



In Reply Refer to:  
3800  
(U-010)  
UTU-070667

November 14, 2003

CERTIFIED MAIL #7002 3150 0004 1699 4254  
RETURN RECEIPT REQUESTED

DECISION

RUSSELL FELLER	:	
PRESIDENT	:	ADDITIONAL INFORMATION
FELLER HOLDING CORP	:	REQUIRED---
688 E CHADRANCH RD	:	43 CFR 3809.552(a)
VEYO UT 84782	:	

Requirement to Provide More Information or to Revise Reclamation  
Cost Estimate

On January 21, 2003 we received your request to extend notice UTU-070667, along with your reclamation cost estimate. Your notice has been conditionally extended. In order to permanently extend the notice, §3809.333 requires that a financial guarantee be provided in an amount and in a form acceptable to the BLM. However, based on the notice on file with us, your reclamation cost estimate appears to be inadequate. Our calculation (see enclosed worksheet) resulted in an estimate of \$4020.00. If you agree with our calculation, please submit written concurrence to us within 30 days of receipt of this letter. We will then issue another decision requiring you to submit a financial guarantee in that amount within 60 days of receipt of that decision.

If you would like to discuss the option of filing a financial guarantee for part of your operations (§3809.553), or if you do not agree with our calculation, you can use the enclosed Reclamation Cost Estimation Summary Sheet to revise the amount. Please be sure to carefully document for which portion of your operation you are calculating the estimate, or how you believe we have erred in calculating the reclamation cost. If you need assistance, please contact this office.

RECEIVED

NOV 18 2003

DIV OF OIL, GAS & MINING



If we do not hear from you within 30 days of receipt of this decision, we will issue a decision that your reclamation cost estimate is inadequate.

*Paul Case*

**ACTING**

Enclosure:

Reclamation Cost Estimate

Reclamation Cost Estimation Summary Sheet

cc: Tom Munson, UDOGM (S/027/026)

## EXAMPLE: RECLAMATION COST ESTIMATION SUMMARY SHEET

(Summary Sheet does not include BLM's Indirect Cost Rate of 17.8 %)

Notice [ ]

Plan of Operations [ ]

BLM Case-file No. \_\_\_\_\_

Project Name: \_\_\_\_\_

Enter those values in the cost estimate that are appropriate to this project. All reclamation costs are to be calculated as third party contracts. This summary sheet is to be accompanied by a map and worksheet describing how each itemized cost estimation was calculated.

### A. EARTHWORK/RECONTOURING

<u>ITEM</u>	<u>LABOR<sup>1</sup></u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Roads	\$ _____	\$ _____	\$ _____	\$ _____
2. Drill Site(s)	\$ _____	\$ _____	\$ _____	\$ _____
3. Drill Hole Abandonment	\$ _____	\$ _____	\$ _____	\$ _____
4. Pits/Adits/Trenches	\$ _____	\$ _____	\$ _____	\$ _____
5. Process Ponds	\$ _____	\$ _____	\$ _____	\$ _____
6. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
7. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
8. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
9. Structure & Building Areas	\$ _____	\$ _____	\$ _____	\$ _____
10. Storage & Equipment Areas	\$ _____	\$ _____	\$ _____	\$ _____
11. Drainage Control	\$ _____	\$ _____	\$ _____	\$ _____
12. Mobilization/Demobilization	\$ _____	\$ _____	\$ _____	\$ _____
13. Miscellaneous <sup>2</sup>	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL "A"	\$ _____	\$ _____	\$ _____	\$ _____

### B. REVEGETATION/STABILIZATION

<u>ITEM</u>	<u>LABOR<sup>1</sup></u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Roads	\$ _____	\$ _____	\$ _____	\$ _____
2. Drill Site(s)	\$ _____	\$ _____	\$ _____	\$ _____
3. Pits/Adits/Trenches	\$ _____	\$ _____	\$ _____	\$ _____
4. Process Ponds	\$ _____	\$ _____	\$ _____	\$ _____
5. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
6. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
7. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
8. Structure & Building Areas	\$ _____	\$ _____	\$ _____	\$ _____
9. Storage & Equipment Areas	\$ _____	\$ _____	\$ _____	\$ _____
10. Drainage Control	\$ _____	\$ _____	\$ _____	\$ _____
11. Monitoring	\$ _____	\$ _____	\$ _____	\$ _____
12. Miscellaneous <sup>2</sup>	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL "B"	\$ _____	\$ _____	\$ _____	\$ _____

### C. DETOXIFICATION/WATER TREATMENT/DISPOSAL OF WASTES

<u>ITEM</u>	<u>LABOR<sup>1</sup></u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Process Ponds/Sludge	\$ _____	\$ _____	\$ _____	\$ _____
2. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
3. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
4. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
5. Surplus Water Disposal	\$ _____	\$ _____	\$ _____	\$ _____
6. Fluid Management <sup>3</sup>	\$ _____	\$ _____	\$ _____	\$ _____
7. Monitoring	\$ _____	\$ _____	\$ _____	\$ _____
8. Miscellaneous <sup>2</sup>	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL "C"	\$ _____	\$ _____	\$ _____	\$ _____

ATTACHMENT 2-1

<b>D. STRUCTURE, EQUIPMENT AND FACILITY REMOVAL</b>	<u>LABOR</u> <sup>1</sup> \$ _____	<u>EQUIPMENT</u> \$ _____	<u>MATERIALS</u> \$ _____	<u>TOTAL</u> \$ _____
<b>E. SUBTOTAL - OPERATIONAL PROJECT COSTS (A THROUGH D)</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>F. CONTINGENCY</b> <sup>4</sup>				\$ _____
<b>G. INSURANCE</b> <sup>5</sup> (ON SITE LIABILITY)				\$ _____
<b>H. BOND</b> <sup>6</sup> (PERFORMANCE AND PAYMENT)				\$ _____
<b>I. PROFIT</b> <sup>7</sup>				\$ _____
<b>J. BLM CONTRACT ADMINISTRATION</b> <sup>8</sup>				\$ _____
<b>K. GRAND TOTAL (E THROUGH J)</b>			\$ _____	

1. For Federal construction contracts. Davis-Bacon wage rates are required for contracts over \$2,000. Wage rates also contain Federal Insurance Corporation of America (FICA), and other required coverage and benefits covering the workforce. If the quoted hourly rates contain FICA, Davis-Bacon wage rates and insurance bond premiums, the operator may sign a statement under penalty of USC 1001, that the above listed rates contain these items and that itemization of these costs are therefore not necessary.

2. Miscellaneous items should be itemized on accompanying worksheets.

3. Calculate and use only when mineral processing activities are involved. Fluid management represents the costs of maintaining proper fluid management to prevent overflow of solution ponds through premature cessation or abandonment of operations. Calculate a six month direct cost estimate which includes power, supplies, equipment, labor and maintenance.

4. A contingency cost is included in the reclamation cost estimation to cover unforeseen cost elements in the estimating procedure. Calculate the contingency cost as a percentage of the operational project costs as follows: up to and including \$500,000, use 10%; over \$500,000 to \$5 million, use 8%; over \$5 million to \$50 million, use 6%; and greater than \$50 million, use 4%.

5. Insurance premiums are calculated at 1.5% of the total labor costs. Enter the premium amount only on this line if insurance items listed in #1 above are not included in the itemized unit costs.

6. Federal construction contracts exceeding \$100,000 require both a performance and a payment bond (Miller Act, 40 USC 270et seq.). Each bond premium is figured at 1.5% of the total operational project costs. Enter the sum of both premium costs on this line.

7. For Federal construction contracts, use 10% of estimated operational project costs.

8. For Federal construction contracts, use 18% of operational project costs for estimates up to and including \$1 million. Use 14% of estimated project costs over \$1 million to \$25 million and 10% of estimated project costs over \$25 million.

Attach sources/information used in cost estimate (examples: Caterpillar Performance Handbook, contractor's estimate, BLM state office procurement analyst, etc.) \_\_\_\_\_

# **Reclamation Cost Model** **For Existing Notice Level Operations**

	Acres		Cost/Acre	
Light		Recontouring Cost		\$0.00
Moderate		Recontouring Cost		\$1,980.00
Heavy		Recontouring Cost		\$0.00
Roads with the side Slope,				
	Linear Feet		Cost/Linear Foot	
<30%		Recontouring Cost		\$0.00
>30%		Recontouring Cost		\$0.00
Areas of non-road disturbance where the use of dozer wouldn't be adequate.				
	Acres		Cost /Acre	
<30%		Recontouring Cost		\$0.00
>30%		Recontouring Cost		\$0.00
Non-Road disturbances with machine spreader				\$0.00
Non-Road disturbances with manual spreading				\$300.00
Road disturbances with machine spreader				\$0.00
Road disturbances with manual spreader				\$0.00
No. Pieces of equipment				
				\$300.00
Total Labor Cost	\$773.00	Total Reclamation Cost		\$2,580.00
Contractors Profit				10% Rec. Cost
Contract Administratio				16% Rec. Cost
Contingency				10% Rec. Cost
Indirect Cost Rate				17.8% Rec. Cost
Engineering/Design				2% Rec. Cost
*Insurance				1.5% Labor Cost
*Bond Maintenance				3% Rec. Cost
* Only Administered if Estimated Contract Costs over \$100,000.				
Total Administration Cos				\$1,439.64
Bond Amount				\$4,019.64